

Department of Planning and Budget 2002 Fiscal Impact Statement

1. **Bill Number** HB550

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Callahan

3. **Committee** Appropriations

4. **Title** Virginia Public Building Authority bonds

5. **Summary/Purpose:** This bill authorizes the Virginia Public Building Authority (VPBA) to issue bonds in an amount not to exceed \$210,496,996 to finance certain capital projects at institutions of higher education and other state agencies of the Commonwealth of Virginia.

6. **Fiscal Impact Estimates are:** Final. There are no construction draws scheduled for the projects listed in the bill. However, assuming 20-year VPBA bonds issued at 5.50% in three equal installments of \$70,170,000, beginning 8/1/02 and following on 8/1/03 and 8/1/04, the additional debt service amounts needed are reflected below:

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03	\$1,929,675		GF
2003-04	\$7,714,575		GF

7. **Budget amendment necessary:** Yes. Depending on the financing schedule, Item 296, (Treasury Board) may require additional debt service to support the projects listed in the bill. Also, the cap on VPBA outstanding debt will have to be amended if this bill goes forward.

8. **Fiscal implications:** By financing these projects through the issuance of VPBA bonds as opposed to general obligation bonds of the Commonwealth, the cost to issue the bonds increases. This bill differs significantly from the amount included in the introduced budget for VPBA projects. Amendments to the capital section of the budget will be needed to reflect the revised list of projects and financing amounts.

9. **Specific agency or political subdivisions affected:**

University of Virginia
Virginia Commonwealth University
Christopher Newport University
Virginia Community College System

College of William and Mary
George Mason University
James Madison University
Mary Washington College

Virginia State University
Virginia Polytechnic Institute and State University
Longwood College
Radford University
University of Virginia's College at Wise
Virginia Museum of Fine Arts
Department of Conservation and Recreation

Old Dominion University
Virginia Military Institute
Norfolk State University
Virginia Military Institute
Melchers Monroe Memorials
Department of General Services
Department of Veterans Affairs

10. Technical amendment necessary: Yes. To conform to requirements of the existing VBPA enabling act, the bill may require additional project specificity language for the proposed Department of Conservation and Recreation land acquisition and the proposed Capitol Square, Phase I projects.

11. Other comments: The Department of the Treasury suggests financing the projects for higher education listed in the bill, under the Virginia College Building Authority instead of the Virginia Public Building Authority. In addition, splitting the projects between the two financing programs keeps both programs active in the market and avoids a potential need to increase the VPBA cap on outstanding debt.

Date: 01/24/02/aps

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cc: Secretary of Finance
Secretary of Education